

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** NEIL PRICE  
DEPUTY ATTORNEY GENERAL

**DATE:** SEPTEMBER 9, 2011

**SUBJECT:** APPLICATION OF PACIFICORP DBA ROCKY MOUNTAIN POWER  
TO SUSPEND FUTURE PROGRAM EVALUATIONS OF SCHEDULE 21,  
LOW INCOME WEATHERIZATION SERVICES OPTIONAL FOR  
INCOME QUALIFYING CUSTOMERS, CASE NO. PAC-E-11-13

On April 29, 2011, PacifiCorp dba Rocky Mountain Power (“Rocky Mountain” or “Company”) filed an Application with the Commission seeking an Order suspending the Company’s future obligation to perform program evaluations of its Schedule 21 Low Income Weatherization Services Optional for Income Qualifying Customers Program.

On June 30, 2011, the Commission issued a Notice of Application, Notice of Modified Procedure and Notice of Intervention Deadline with a 90-day comment period. *See* Order No. 32284.

On July 1, 2011, the Commission granted the Petition to Intervene filed by Community Action Partnership Association of Idaho (“CAPAI”). *See* Order No. 32286.

### APPLICATION

Rocky Mountain partners with two non-profit weatherization agencies that install energy efficiency measures in income eligible households at no-cost to residents: Eastern Idaho Community Action Partnership in Idaho Falls and Southeastern Idaho Community Action Agency in Pocatello.

Rocky Mountain attached a copy of the evaluation conducted by The Cadmus Group, Inc. of its Schedule 21, Low Income Weatherization Services Optional for Income Qualifying

Customers (“Program”), to its Application. The program evaluation was based on program activities for the time period of 2007 through 2009.

Rocky Mountain states that, due to many factors, the evaluation reveals that the Program is not cost-effective. As such, the Company seeks an acknowledgement from the Commission that the Program is an acceptable part of Rocky Mountain program portfolio, as well as a finding that it should be allowed to continue. The Company believes that future administrative costs associated with the Program could be lessened by the removal of the Company’s obligation to perform future Program evaluations.

During the three-year evaluation period, the Company offered the agencies a 75% reimbursement for the cost of installing approved measures and a 15% reimbursement for administrative costs. A cap of \$150,000 per year in program funding was established over the three-year period. Rocky Mountain stated that the remainder of the costs for installed measures not subject to reimbursement from the Company, 25%, is obtained by the individual agencies from federal funding sources.

Rocky Mountain noted that Commission Order No. 32196, Case No. PAC-E-10-07, increased the annual Program funds available from a maximum of \$150,000 to \$300,000. Rocky Mountain’s contribution to the agencies for the cost of installing approved measures was also increased from 75% to 85% of the cost of approved measures. The 15% administrative cost reimbursement remains in place.

The Program evaluation performed by The Cadmus Group, Inc. includes the review of processes and impacts. It estimates the kWh savings achieved through billing analyses, as well as estimates for non-energy benefits. Rocky Mountain argues that its entire portfolio of energy efficiency programs is cost-effective. However, the Company argues that Schedule 21 is not cost-effective when viewed from the Total Resource Cost (TRC), Utility Cost (UCT) or Ratepayer Impact (RI) perspectives, unless non-energy benefits are included. The TRC test indicates that Schedule 21 is cost-effective if non-energy benefits are factored into the analysis. Rocky Mountain’s analysis included only the Company’s costs of administering the Program and did not include any funds the agencies may have received from federal sources.

In summary, Rocky Mountain wants to discontinue further evaluations of Schedule 21, Low Income Weatherization Services Optional for Income Qualifying Customers, because the Company believes that the additional costs of Program evaluations will further erode the cost

effectiveness of the Company's demand-side management programs. The Company believes that its position is supported by the independent evaluation conducted by The Cadmus Group, attached to its Application. Rocky Mountain believes that this case should be processed through Modified Procedure.

#### **REQUEST FOR EXTENSION OF COMMENT DEADLINE**

Staff is currently reviewing Rocky Mountain's Application, including responses to several production requests filed by Staff. Staff believes that additional time will be necessary in order to properly examine and evaluate the content of Rocky Mountain's Application and responses to production requests.

Additionally, CAPAI has informed Staff that it has recently retained the services of a technical expert. Company Responses to CAPAI's current production requests are not due until September 28, 2011, the last day of the current comment period. CAPAI believes that its technical expert will likely submit additional production requests. Therefore, both CAPAI and Staff request that the current comment period be extended to allow the parties sufficient time to respond effectively to Rocky Mountain's Application and responses to production requests.

#### **COMMISSION DECISION**

Does the Commission wish to extend the previously established comment period for Rocky Mountain's Application from September 28, 2011 to October 28, 2011?



---

Neil Price  
Deputy Attorney General

M:PAC-E-11-13\_np2